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at lowest prices
through over 100 dealers
and one-stop service centers

semi
ANNUAL
REPORT

For the period ending

May 31

1968



MOTORCADE STORES LIMITED

MEMORANDUM

DATE: 22.08.1968

TO: SHAREHOLDERS

President's Report to the Shareholders

I would like to present to you a brief summary of your company's activities during the first six months of our current fiscal year, along with a few notes of explanation and some additional information which should have been supplied in last year's annual report.

Your company has shown an increase in profit for the first six months of this year and I would like to point out that traditionally in the past the first half of our year has been, from a sales and profit standpoint, well below the second half. At the present time it appears that this pattern will continue. If the present trend continues, I believe we can look forward to a substantial increase in earnings for our 1968 report.

I should point out that although there was a decrease in sales for the first half of this year, in order to make a fair comparison; last year's figures included wholesale gasoline sales and four months of sales figures for our Lindsay store. This store is no longer a company operated outlet. The gasoline sales were considered in a non-profit category and the loss in sales from our Lindsay store has been offset by a substantial decrease in overhead. The total loss of sales from these two sources was approximately \$82,000.

Referring to last year's annual report, we inadvertently omitted the total sales of your company and the remuneration paid to directors and officers. The total sales for the year ending November 30th, 1967 were \$1,506,951. The total remuneration paid to directors and officers for the same period was \$26,122. The total remuneration paid to directors and officers for the first six months of this year was \$12,960.

The name of Mr. Jerold Winter was omitted in error from the list of directors and officers in the 1967 annual report, although he had been elected to the Board of Directors prior to that report. You will note that his name has now been included in this semi-annual report.

I wish to express again my appreciation for the support I find among the shareholders. I can assure you that every effort is and will be made to ensure the favourable progress of your company.

On behalf of the Board of Directors,
MARTIN WINTER,
August 30, 1968. President

MOTORCADE STORES LIMITED

INTERIM BALANCE SHEET

AS AT MAY 31, 1968

A S S E T S

CURRENT ASSETS

Cash on Hand and in Bank	\$ 5,958	
Accounts Receivable, less allowance for Doubtful Accounts	218,732	
Prepaid Expenses and Sundry Assets	6,308	
Inventory, at lower of cost or market	<u>276,151</u>	\$507,149

MORTGAGES RECEIVABLE

69,352

FIXED ASSETS - at cost

198,626

Less: Accumulated Depreciation

60,923 137,703

GOODWILL

100,000

Total Assets

\$814,204

L I A B I L I T I E S & C A P I T A L

CURRENT LIABILITIES

Bank Loan	\$ 69,500	
Accounts Payable & Sundry Liabilities	248,285	
Reserve for Income Tax	<u>7,465</u>	\$325,250

DEFERRED LIABILITIES

Industrial Development Bank	28,800	
Mortgages Payable	<u>20,238</u>	49,038

CAPITAL STOCK & SURPLUS

CAPITAL STOCK

<u>Authorized</u>	<u>Issued</u>		
1,000,000	500,000	Common Shares @ N.P.V.	248,300

Earned Surplus	91,616	
Appriasal Surplus	<u>100,000</u>	<u>439,916</u>

Total Liabilities & Capital

\$814,204

This interim Statement has been prepared, from figures taken from the books of accounts, without verification and

APPROVED ON BEHALF OF THE BOARD

Director ... *Martin J. H. H. H.*

Director ... *Sarah E. Sykes*

MOTORCADE STORES LIMITED

CONDENSED BALANCE SHEET

AS AT MAY 31, 1968

ASSETS

CURRENT ASSETS

2,358	Cash on hand and in bank
218,732	Accounts Receivable, less allowance for doubtful accounts
8,308	Prepaid expenses and Security Assets
230,147	Inventory, at lower of cost or market
459,437	MOTORCADE RECEIVABLES

FIXED ASSETS - at cost

198,836	Land
63,703	Buildings
100,000	Equipment
362,539	Total Assets

LIABILITIES & CAPITAL

CURRENT LIABILITIES

59,200	Bank loan
248,214	Accounts Payable & Security Liabilities
7,423	Reserve for Income Tax
314,837	DEFERRED LIABILITIES

DEFERRED LIABILITIES

20,000	Industrial Development Bank
30,837	Mortgages Payable
50,837	CAPITAL STOCK & RESERVE

CAPITAL STOCK & RESERVE

248,200	Authorized Shares
37,639	Issued Shares
100,000	Reserve
385,839	Total Liabilities & Capital

This Income Statement has been prepared from figures taken from the books of accounts, without verification and adjustment on behalf of the Board.

Director...
Director...

MOTORCADE STORES LIMITED

INTERIM OPERATING STATEMENT

FOR 6 MONTHS ENDED MAY 31, 1968

	<u>1 9 6 8</u>	<u>1 9 6 7</u>
<u>SALES</u>	\$680,217	\$714,551
	=====	=====
<u>COST OF SALES</u>	\$490,205	\$516,309
	=====	=====
Gross Profit	190,012	198,242
Add: Rental Income	<u>11,179</u>	<u>6,785</u>
Gross Profit before Expenses	201,191	205,027
	=====	=====
<u>OVERHEAD EXPENSES</u>		
Selling Expenses	115,468	124,242
General Administrative Expenses	65,381	72,265
Financial Expenses	<u>2,140</u>	<u>1,629</u>
	182,989	198,136
	=====	=====
Profit before Capital Cost Allowance	18,202	6,891
Capital Cost Allowance	<u>5,090</u>	<u>4,935</u>
Net Profit before Income Taxes	13,112	1,956
Provision for Federal & Provincial Income Taxes	<u>3,076</u>	<u>234</u>
Net Profit	\$ 10,036	\$ 1,722
	=====	=====
Net Profit per share	2,007 cents	.344 cents

MOTORCADE STORES LIMITED

INTERIM STATEMENT OF EARNED SURPLUS

FOR 6 MONTHS ENDED MAY 31, 1968

	<u>1 9 6 8</u>	<u>1 9 6 7</u>
Balance, December 1st	\$ 82,130	\$ 66,386
<u>Add:</u> Net Profit for Period	<u>10,036</u>	<u>1,722</u>
	92,166	68,108
<u>Less:</u> Life Insurance Premiums - Director	<u>550</u>	<u>550</u>
Balance, May 31st	<u>\$ 91,616</u>	<u>\$ 67,558</u>

DIRECTORS AND OFFICERS

President Martin Venter
 Secretary-Treasurer Brian C. Bykes
 Director Arnold Mouton

TRANSFER AGENT AND REGISTRAR

The Canada Trust Company
 33 Adelaide Street West
 Toronto, Ontario

MOTORCARE STORES LIMITED

STATEMENT OF FINANCIAL RESULTS

FOR THE YEAR ENDED MAY 31, 1961

1961	1960
\$ 82,130	\$ 66,386
10,036	1,708
92,166	68,108
52	70
\$ 92,218	\$ 68,178

Balance, December 31st

Add: Net Profit for Period

Less: Life Insurance Premiums - Director

Balance, May 31st

DIRECTORS AND OFFICERS

President	Martin Winter
Secretary-Treasurer	Sarah E. Sykes
Director	Jerold Winter

TRANSFER AGENT AND REGISTRAR

The Canada Trust Company
33 Adelaide Street West
Toronto, Ontario

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